

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:

SEARS HOLDING CORPORATION, et al.,

Debtor(s).

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Case No. 18-23538 (RDD)

Chapter 11

Jointly Administered

DECLARATION OF ARNEL MELGAREJO

Arnel Melgarejo hereby declares as follows:

1. I have been an employee of CalAmp Wireless Networks Corporation for over 15 years. I am a Vice President and the Corporate Controller for the company. CalAmp Wireless Networks Corporation is a California-based provider of IT software applications, cloud-based services, data intelligence, and networked telematics products and services.

2. I personally reviewed the books, records and files of CalAmp Wireless Networks Corporation before preparing this Declaration and am familiar with the facts set forth herein.

3. I confirm that the statements in this declaration are true based on my own knowledge or because I gained knowledge from my review of the business records of CalAmp Wireless Networks Corporation.

4. I confirm that the entries on the books and records of CalAmp Wireless Networks Corporation are maintained in the ordinary course of CalAmp Wireless Networks Corporation's business and that the entries in those books and records are made at or near the time of the acts, conditions, or events to which they relate.

5. All documents referenced and authenticated by me were prepared in the ordinary

course of business of CalAmp Wireless Networks Corporation by a person who had personal knowledge of the event being recorded and had (or has) a business duty to record accurately such event.

6. CalAmp Wireless Networks Corporation is a telematics pioneer. CalAmp integrates base station equipment, equipment in vehicles and containers, software, and telecommunications so that its customers can keep track of (and coordinate) their fleet vehicles, containers, drivers, and other assets. The company's telecommunications involves tangible gear and hardware (transmitters, receivers, antennas, wires) installed in Sears' vehicles and modulated radio waves. It involves the use of a complex network designed and maintained by CalAmp Wireless Networks Corporation for its customers. This arrangement (transmitting and receiving digitally modulated radio waves) resembles the transmission of electrical energy because it is invisible and involves the movement of electrons. Also, telecommunications allowed Sears, Roebuck & Co. and Sears Holdings Management Corporation to access the tangible, complex infrastructure of equipment, lines, and gear assembled by CalAmp Wireless Networks Corporation.

7. On September 27, 2001, Sears, Roebuck & Co. and Wireless Matrix USA Inc. (the predecessor to CalAmp Wireless Networks Corporation) entered into a Master Telecommunications Procurement Agreement. A copy of the agreement is annexed hereto as Exhibit 1. Under the Master Telecommunications Procurement Agreement, Wireless Matrix USA Inc. agreed to provide equipment, software, and telecommunications to Sears, Roebuck & Co. and its affiliates.

8. Sears, Roebuck & Co. and its affiliates maintained a large fleet to fill the shelves in its warehouses and retail stores. Under the Master Telecommunications Procurement

Agreement, Sears, Roebuck & Co. was able to: optimize operations with real time vehicle tracking; maximize fleet efficiency with reporting and analytics; implement proactive vehicle maintenance; and improve safety with driver behavior monitoring.

9. On March 30, 2004, Sears, Roebuck & Co. advised Wireless Matrix USA, Inc. that Sears, Roebuck & Co. authorized Sears Procurement Services, Inc. to make purchases under the Master Telecommunications Procurement Agreement. A copy of the Letter from Sears, Roebuck & Co. is annexed as Exhibit 2.

10. From time to time, Sears, Roebuck & Co. and Sears Procurement Services, Inc. (on the one hand) and Wireless Matrix USA Inc. (on the other hand) negotiated statements of work (sometimes abbreviated “SOW”) under the Master Telecommunications Procurement Agreement. By July 1, 2012, Sears, Roebuck & Co. assigned its rights under the Master Telecommunications Procurement Agreement to Sears Holding Management Corporation. A copy of the Amendment #2 to SOW #9 that sets forth the assignment is annexed as Exhibit 3.

11. CalAmp Wireless Networks Corporation never relieved Sears, Roebuck & Co. from its responsibilities under the Master Telecommunications Procurement Agreement.

12. On or before May 15, 2015, Wireless Matrix USA Inc. assigned its rights under the Master Telecommunications Procurement Agreement to CalAmp Wireless Data Systems, Inc. CalAmp Wireless Networks Corporation is the successor to CalAmp Wireless Data Systems, Inc. Annexed as Exhibit 4 is a copy of the Clarification And Modification Amendment To Statement Of Work #4 To Master Telecommunications Procurement Agreement, executed by “Sears Holdings Management Corporation on behalf of itself and for the benefit of its Affiliates” and “CalAmp Wireless Networks Corporation (successor to CalAmp Wireless Data Systems, Inc.).

13. From time to time, CalAmp Wireless Networks Corporation issued invoices and purchase orders to Sears, Roebuck & Co. or its accounts payable processor (“Sears – AP [accounts payable] ARIBA”). Under the Master Telecommunications Procurement Agreement, CalAmp Wireless Networks Corporation also provided detailed reports. These reports were usually delivered electronically.

14. On January 21, 2019, CalAmp Wireless Networks Corporation filed *Proof of Claim* #7876 for \$831,040.12. A copy of the proof of claim is annexed as Exhibit 5. The claim remains unpaid.

15. The number, date, type, and amount of unpaid invoices follow:

I0208719	12/12/2016 DIRECT BILL \$ 650.00
I0269136	4/30/2018 FO Order Type \$ 606.88
I0279252	7/30/2018 IN DIRECT BILL \$ 11,556.30
I0279253	7/30/2018 IN DIRECT BILL \$ 228,760.77
I0279641	8/2/2018 FO Order Type \$ 153.12
I0282278	8/24/2018 IN DIRECT BILL \$ 11,497.50
I0282279	8/24/2018 IN DIRECT BILL \$ 228,760.77
I0282627	8/28/2018 FO Order Type \$ 401.87
I0286240	9/30/2018 IN DIRECT BILL \$ 228,760.77
I0286241	9/30/2018 IN DIRECT BILL \$ 11,451.30
I0288883	10/14/2018 IN DIRECT BILL \$ 5,121.90
I0288884	10/14/2018 IN DIRECT BILL \$ 103,318.94

16. CalAmp Wireless Networks Corporation calculates that \$148,484.19 of the \$831,040.12 Proof of Claim falls under 11 U.S.C. §503(b)(9). This includes 100% of invoice I0288883 (\$5,121.90 for the first 15 days of October), 100% of invoice I0288884 (\$103,318.94 for the first 15 days of October), 16.67% (five of the 30 days in September) of invoice I0286240

(16.67% of \$228,760.77, or \$38,134.42), and 16.67% (five of the 30 days in September) of invoice I0286241 (16.67% of \$11,451.30, or \$1,908.93). Accordingly, CalAmp Wireless Networks Corporation asserts a claim under 11 U.S.C. §503(b)(9) for \$148,484.19.

17. At the request of the Debtors, CalAmp Wireless Networks Corporation continued to provide equipment, software, and telecommunications to the Debtors under the Master Telecommunications Procurement Agreement during the bankruptcies (October 15, 2018 through December 31, 2018).

18. Sears, Roebuck & Co. terminated the Master Telecommunications Procurement Agreement as of December 31, 2018.

19. For the period from October 15, 2018 through December 31, 2018, Sears, Roebuck & Co. and Sears Holdings Management Corporation still owe \$240,060.87 to CalAmp Wireless Networks Corporation. See Exhibit 5 (I0295508, dated December 26, 2018, for \$228,760.77, under “C41218_v3_CW2320950_Data Pump Dec 2018”), Exhibit 5 (I0295509, dated December 26, 2018, for \$11,300.10, under “C41127_v7_CW2300408_FO Dec 2018”).

20. CalAmp Wireless Networks Corporation asserts a classic, post-petition administrative claim for \$240,060.87 for the unpaid post-petition invoices (I0295508, I0295509).

21. CalAmp Wireless Networks Corporation seeks an order overruling the Debtor’s Objection and allowing CalAmp Wireless Networks Corporation’s combined administrative claim of \$388,545.06 (\$148,484.19 under 11 U.S.C. §503(b)(9) for pre-petition charges within 20 days of bankruptcy, plus \$240,060.87 for post-petition invoices.

I hereby certify that the foregoing statements made by me are true. I am aware that if any of the foregoing statements made by me are willfully false, I am subject to punishment.

Dated: September 19, 2019



Arnel Melgarejo